

**INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING  
AGREED-UPON PROCEDURES  
TOWN OF BURNS FLAT, OKLAHOMA &  
BURNS FLAT UTILITIES AUTHORITY  
JUNE 30, 2013**

**TOWN OF BURNS FLAT, OKLAHOMA &  
BURNS FLAT UTILITIES AUTHORITY**

**JUNE 30, 2013**

**TABLE OF CONTENTS**

**Town Officials**

**Independent Accountant's Report on Applying  
Agreed-Upon Procedures**

**EXHIBITS**

Summary of Changes in Fund Balances .....Exhibit 1-00

Town of Burns Flat, Oklahoma  
Budgetary Comparison Schedule - Cash Basis  
General Fund.....Exhibit 2-00

Town of Burns Flat, Oklahoma  
Budgetary Comparison Schedule - Cash Basis  
Street and Alley Fund .....Exhibit 3-00

Burns Flat Utilities Authority  
Statement of Revenues, Expenses and Changes  
in Fund Net Assets - Proprietary Funds.....Exhibit 4-00

Burns Flat Utilities Authority  
Statement of Reserved Cash in Bank and Investments.....Exhibit 5-00

**TOWN OF BURNS FLAT, OKLAHOMA &  
BURNS FLAT UTILITIES AUTHORITY**

**TOWN OFFICIALS**

**JUNE 30, 2013**

**Board of Trustees**

Mayor	Tom Ryan
Trustee	Rod McKone
Trustee	Duane Manuel
Trustee	Betty Hudgins
Trustee	Terry Field

**Town Treasurer**

Debra Bloomer

**Clerk**

Debra Bloomer

**Town Administrator**

Billy Yarbrough



**BRITTON, KUYKENDALL, & MILLER**  
CERTIFIED PUBLIC ACCOUNTANTS

JAMES M. KUYKENDALL  
RICK D. MILLER

204 E. FRANKLIN - P.O. BOX 507  
WEATHERFORD, OK 73096  
580-772-3596  
FAX 580-772-3085

BRANCH OFFICE:  
106 N. COLLEGE - P.O. BOX 266  
CORDELL, OK 73632  
580-832-5313  
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**INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

To the Specified Users of the Report:

Town Board, Town of Burns Flat  
Burns Flat, Oklahoma

Trustees of the Burns Flat Utilities Authority  
Burns Flat, Oklahoma

Trustees of the Burns Flat Economic Development Authority  
Burns Flat, Oklahoma

Oklahoma Office of State Auditor and Inspector  
Oklahoma City, Oklahoma

United States Department of Agriculture  
Rural Development  
Hobart, Oklahoma

Oklahoma Department of Commerce  
Oklahoma City, Oklahoma

We have compiled the accompanying Summary of Changes in Fund Balances of the Town of Burns Flat, Oklahoma and Burns Flat Utilities Authority as of and for the fiscal year ended June 30, 2013, and the related Budgetary Comparison Schedules of the General Fund and Street and Alley Fund - Cash Basis, Statement of Revenues, Expenses and Changes in Fund Net Assets of the Proprietary Fund, and the Statement of Reserved Cash in Bank and Investments of the Proprietary Fund as of and for the fiscal year ended June 30, 2013 included in the accompanying prescribed form. We have not audited or reviewed the prescribed financial statements and, accordingly, do not express an opinion or provide any assurance about whether the prescribed financial statements are in accordance with the basis of accounting prescribed by Oklahoma Statutes, that demonstrates compliance with the cash basis and budget laws of the State of Oklahoma, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The management of the Town of Burns Flat, Oklahoma and the Burns Flat Utilities Authority is responsible for the preparation and fair presentation of the prescribed financial statements in accordance with the basis of accounting prescribed by Oklahoma Statutes, that demonstrates compliance with the cash basis and budget laws of the State of Oklahoma, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America, and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the prescribed financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements and supporting information as prescribed by Oklahoma Statutes that is the representation of management without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the prescribed financial statements.

These prescribed financial statements have been prepared in a format and basis of accounting, as prescribed by Oklahoma Statutes, that demonstrates compliance with the cash basis and budget laws of the State of Oklahoma, which differ from accounting principles generally accepted in the United States of America. Accordingly, these prescribed forms are not designed for those who are not informed about such differences.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared on the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Town's assets, liabilities, equity, revenues and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Additionally, we have performed the procedures enumerated below which were agreed to by the specified users of the report, as identified above, and as defined within the applicable state laws of the State of Oklahoma solely to assist the Town and Burns Flat Utilities Authority in meeting their financial accountability requirements as prescribed by Oklahoma Statutes §11-17 (105-107) and §60-180.1-3 and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2013. Management of the Town of Burns Flat is responsible for the Town's financial accountability and its compliance with those legal and contractual requirements. This agreed-upon procedures engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants and the additional requirements prescribed in Oklahoma Statutes §11-17 (105-107) and §60-180.1-3. The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

## Procedures and Findings

As to the Town of Burns Flat, Oklahoma as of and for the fiscal year ended June 30, 2013:

1. Procedures Performed: From the Town's trial balances, we prepared a schedule of changes in fund balances for each fund (See accompanying Exhibit 1-00) and compared the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: No instances noted.

2. Procedures Performed: From the Town's trial balances, we prepared a budget and actual financial schedule for the General Fund and any other significant funds listing separately each federal fund (See accompanying Exhibits 2-00 and 3-00) and compared the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with the appropriation limitations.

Findings: No instances noted.

3. Procedures Performed: We agreed the Town's material bank account balances to bank statements, and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

Findings: No instances noted.

4. Procedures Performed: We compared the Town's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: No instances noted.

5. Procedures Performed: We compared use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: No instances noted.

6. Procedures Performed: We compared the accounting for the Town's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

Findings: No instances noted.

7. Procedures Performed: We compared the Town's account balances in reserve accounts to contractually required balances and debt service coverage requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

Findings: No instances noted.

As to the Burns Flat Utilities Authority as of and for the fiscal year ended June 30, 2013:

1. Procedures Performed: From the Authority's trial balances, we prepared a schedule of revenues, expenditures/expenses and changes in fund balances/net assets for each fund (See accompanying Exhibit 4-00) and compared the schedule results to the applicable trust prohibitions for creating fund balance deficits to report any noted instances of noncompliance.

Findings: No instances noted.

2. Procedures Performed: We agreed the Authority's material bank account balances to bank statements, and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

Findings: No instances noted.

3. Procedures Performed: We compared the Authority's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: No instances noted.

4. Procedures Performed: We compared the Authority's use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: No instances noted.

5. Procedures Performed: We compared the accounting for the Authority's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

Findings: No instances noted.

6. Procedures Performed: We compared the Authority's account balances in reserve accounts to contractually required balances and debt service coverage requirements of bond indentures to the actual coverage to report any noted instances of noncompliance. (See accompanying Exhibit 5-00).

Findings: No instances noted.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified users, as identified above, and is not intended to be and should not be used by anyone other than these specified parties.

*Britton, Kuykendall & Miller*

BRITTON, KUYKENDALL, AND MILLER  
Certified Public Accountants

Weatherford, Oklahoma  
July 16, 2013



Town of Burns Flat, Oklahoma  
 Budgetary Comparison Schedule - Cash Basis  
 General Fund  
 For the Year Ended June 30, 2013

<u>Revenues</u>	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Sales Tax	\$ 190,000.00	\$ 190,000.00	\$ 202,460.89	\$ 12,460.89
Interest	4,200.00	4,200.00	2,698.79	(1,501.21)
Alcoholic Beverage Tax	26,000.00	26,000.00	26,649.15	649.15
Franchise Tax	44,600.00	44,600.00	34,781.33	(9,818.67)
Municipal Court	45,000.00	45,000.00	66,592.26	21,592.26
Miscellaneous	8,000.00	8,000.00	359.62	(7,640.38)
Ambulance	60,000.00	60,000.00	66,570.98	6,570.98
Cleet Collections	100.00	100.00	112.06	12.06
Animal Control	1,000.00	1,000.00	620.00	(380.00)
Royalty Income	100.00	100.00	0.00	(100.00)
Permits & Licenses	300.00	300.00	678.00	378.00
Use Tax	27,000.00	27,000.00	36,732.74	9,732.74
Rental Income	1,500.00	1,500.00	2,050.00	550.00
Police Dept Reserve Income	3,200.00	3,200.00	5,365.00	2,165.00
Cigarette Tax	3,300.00	3,300.00	3,432.61	132.61
Fire Department Donations	0.00	0.00	1,500.00	1,500.00
Insurance Reimbursements	0.00	0.00	17,612.74	17,612.74
Sale of Property	0.00	0.00	0.00	0.00
State Funding Revenue	5,000.00	5,000.00	4,484.35	(515.65)
Grant Revenue	8,000.00	8,000.00	0.00	(8,000.00)
Sports & Recreation	1,900.00	1,900.00	1,925.00	25.00
Swimming Pool Admissions	6,000.00	6,000.00	6,863.40	863.40
Swimming Pool Concessions	4,000.00	4,000.00	3,512.78	(487.22)
<b>Total Revenues</b>	<b>439,200.00</b>	<b>439,200.00</b>	<b>485,001.70</b>	<b>45,801.70</b>
<u>Expenditures</u>				
Administration:				
Personal Services	86,600.00	86,600.00	90,502.78	(3,902.78)
Maintenance & Operations	2,600.00	2,600.00	2,430.24	169.76
Capital Outlay	0.00	0.00	0.00	0.00
<b>Total Administration</b>	<b>89,200.00</b>	<b>89,200.00</b>	<b>92,933.02</b>	<b>(3,733.02)</b>
General Government:				
Personal Services	46,900.00	46,900.00	45,512.18	1,387.82
Maintenance & Operations	36,900.00	36,900.00	33,782.06	3,117.94
Capital Outlay	0.00	0.00	0.00	0.00
<b>Total General Government</b>	<b>83,800.00</b>	<b>83,800.00</b>	<b>79,294.24</b>	<b>4,505.76</b>

See Accountant's Report.

Town of Burns Flat, Oklahoma  
 Budgetary Comparison Schedule - Cash Basis  
 General Fund, (Continued)  
 For the Year Ended June 30, 2013

<u>Expenditures, (Continued)</u>	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Municipal Court:				
Personal Services	\$ 5,300.00	\$ 5,300.00	\$ 3,596.10	\$ 1,703.90
Maintenance & Operations	4,900.00	4,900.00	6,454.16	(1,554.16)
Capital Outlay	0.00	0.00	0.00	0.00
Total Municipal Court	10,200.00	10,200.00	10,050.26	149.74
Police:				
Personal Services	220,000.00	220,000.00	184,256.68	35,743.32
Maintenance & Operations	49,300.00	49,300.00	52,906.91	(3,606.91)
Capital Outlay	8,000.00	8,000.00	2,809.96	5,190.04
Total Police	277,300.00	277,300.00	239,973.55	37,326.45
Ambulance:				
Personal Services	22,800.00	22,800.00	27,991.42	(5,191.42)
Maintenance & Operations	17,500.00	17,500.00	17,903.63	(403.63)
Capital Outlay	0.00	0.00	0.00	0.00
Total Ambulance	40,300.00	40,300.00	45,895.05	(5,595.05)
Animal Control:				
Personal Services	0.00	0.00	0.00	0.00
Maintenance & Operations	3,100.00	3,100.00	1,846.09	1,253.91
Capital Outlay	0.00	0.00	836.00	(836.00)
Total Animal Control	3,100.00	3,100.00	2,682.09	417.91
Fire:				
Personal Services	1,000.00	1,000.00	968.88	31.12
Maintenance & Operations	12,200.00	12,200.00	9,997.13	2,202.87
Capital Outlay	0.00	0.00	0.00	0.00
Total Fire	13,200.00	13,200.00	10,966.01	2,233.99
Swimming Pool:				
Personal Services	15,000.00	15,000.00	14,692.41	307.59
Maintenance & Operations	6,600.00	6,600.00	5,884.84	715.16
Capital Outlay	0.00	0.00	0.00	0.00
Total Swimming Pool	21,600.00	21,600.00	20,577.25	1,022.75

See Accountant's Report.

Town of Burns Flat, Oklahoma  
 Budgetary Comparison Schedule - Cash Basis  
 General Fund, (Continued)  
 For the Year Ended June 30, 2013

Expenditures, (Continued)	Budgeted Amounts		Actual Amounts	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
Community Center:				
Personal Services	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Maintenance & Operations	3,200.00	3,200.00	10,012.35	(6,812.35)
Capital Outlay	0.00	0.00	0.00	0.00
Total Community Center	3,200.00	3,200.00	10,012.35	(6,812.35)
Summer Youth:				
Personal Services	0.00	0.00	0.00	0.00
Maintenance & Operations	800.00	800.00	385.00	415.00
Capital Outlay	0.00	0.00	0.00	0.00
Total Summer Youth	800.00	800.00	385.00	415.00
Total Expenditures	542,700.00	542,700.00	512,768.82	29,931.18
Excess Revenues Over (Under) Total Expenditures	(103,500.00)	(103,500.00)	(27,767.12)	75,732.88
Other Financing Sources (Uses)				
Operating Transfers In	158,000.00	158,000.00	158,000.00	0.00
Operating Transfers Out	0.00	0.00	(1,500.00)	(1,500.00)
Proceeds of Long-Term Debt	0.00	0.00	0.00	0.00
Reduction of Long-Term Debt	0.00	0.00	0.00	0.00
Net Other Financing Sources (Uses)	158,000.00	158,000.00	156,500.00	(1,500.00)
Excess of Revenues and Other Sources over Expenditures and Other Uses	54,500.00	54,500.00	128,732.88	74,232.88
Prior Period Adjustments	0.00	0.00	0.00	0.00
Budgetary Fund Balance, Beginning	431,549.98	431,549.98	431,549.98	0.00
Budgetary Fund Balance, Ending	\$ 486,049.98	\$ 486,049.98	\$ 560,282.86	\$ 74,232.88

See Accountant's Report.

Town of Burns Flat, Oklahoma  
 Budgetary Comparison Schedule - Cash Basis  
 Street and Alley Fund  
 For the Year Ended June 30, 2013

Revenues	Budgeted Amounts		Actual Amounts	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
Interest	\$ 0.00	\$ 0.00	\$ 253.72	\$ 253.72
Commercial Vehicle Tax	0.00	0.00	14,500.03	14,500.03
Gasoline Tax	0.00	0.00	3,780.28	3,780.28
Lights	0.00	0.00	4,324.47	4,324.47
SWODA REAP Grant Revenue	0.00	0.00	0.00	0.00
ODOC CDBG Grant Revenue	0.00	0.00	1,791.00	1,791.00
Total Revenues	0.00	0.00	24,649.50	24,649.50
<u>Expenditures</u>				
Personal Services	0.00	0.00	0.00	0.00
Maintenance & Operations	81,915.25	81,915.25	17,008.38	64,906.87
Capital Outlay	0.00	0.00	0.00	0.00
Total Expenditures	81,915.25	81,915.25	17,008.38	64,906.87
Excess Revenues Over (Under) Total Expenditures	(81,915.25)	(81,915.25)	7,641.12	89,556.37
<u>Other Financing Sources (Uses)</u>				
Operating Transfers In	0.00	0.00	0.00	0.00
Operating Transfers Out	0.00	0.00	0.00	0.00
Net Other Financing Sources (Uses)	0.00	0.00	0.00	0.00
Excess of Revenues and Other Sources over Expenditures and Other Uses	(81,915.25)	(81,915.25)	7,641.12	89,556.37
Budgetary Fund Balance, Beginning	81,915.25	81,915.25	81,915.25	0.00
Budgetary Fund Balance, Ending	\$ 0.00	\$ 0.00	\$ 89,556.37	\$ 89,556.37

See Accountant's Report.

Burns Flat Utilities Authority  
Statement of Revenues, Expenses, and Changes in Fund Net Assets  
Proprietary Funds  
For the Year Ended June 30, 2013

	Enterprise Fund
Operating Revenues:	
Water Sales	\$ 290,609.75
Sewer Fees	144,185.28
Trash Fees	199,532.06
Service Charges	41,107.62
SWODA REAP Grant	0.00
MODA Grant	0.00
Miscellaneous Revenue	<u>17,125.85</u>
Total Operating Revenues	<u>692,560.56</u>
Operating Expenses:	
Water Department:	
Personal Services	71,676.03
Maintenance and Operations	84,528.61
Depreciation	83,598.00
Sewer Department:	
Personal Services	71,675.04
Maintenance and Operations	89,565.89
Trash Department:	
Maintenance and Operations	147,684.62
Rural Development:	
Interest Expense	28,763.02
Other	
Miscellaneous	<u>0.00</u>
Total Operating Expenses	<u>577,491.21</u>
Operating Income (Loss)	<u>115,069.35</u>
Non-Operating Revenues (Expenses):	
Interest Revenue	<u>6,205.33</u>
Total Non-Operating Revenues (Expenses)	<u>6,205.33</u>
Income (Loss) before Operating Transfers	<u>121,274.68</u>
Operating Transfers:	
Operating Transfers In	0.00
Operating Transfers Out	<u>(158,000.00)</u>
Total Operating Transfers	<u>(158,000.00)</u>
Net Income (Loss)	(36,725.32)
Net Assets - Beginning of Year	<u>1,906,418.22</u>
Net Assets - End of Year	<u>\$ 1,869,692.90</u>

See Accountant's Report.

Burns Flat Utilities Authority  
Statement of Reserved Cash in Bank and Investments  
For the Year Ended June 30, 2013

	USDA Rural Development Reserve Account
	<u>                    </u>
Balance 7-1-12	\$ 54,600.00
Monthly Deposits	
Interest	<u>4,200.00</u>
Balance 6-30-13	\$ <u><u>58,800.00</u></u>

See Accountant's Report.